

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Competitive Product Prices
GEPS 7 (MC2016-196)
Negotiated Service Agreements

Docket No. CP2020-95

Competitive Product Prices
Global Reseller Expedited Package Contracts 2
(MC2013-51)
Negotiated Service Agreements

Docket No. CP2020-96

CHAIRMAN'S INFORMATION REQUEST NO.1

(Issued February 26, 2020)

To clarify the Postal Service's Notices of filing a functionally equivalent GEPS 7 negotiated service agreement and a functionally equivalent Global Reseller Expedited Package 2 negotiated service agreement,¹ the Postal Service is requested to provide written responses to the following questions. The answers should be provided no later than March 4, 2020.

1. Please refer to the Excel files showing Priority Mail International (PMI) costs filed in support of the Notices (PMI files), tab "05_Cost_and_Revenue_Calculation." Please also refer to Docket No. ACR2019, Library Reference USPS-FY19-NP36, Excel file "Outbound FY19 ICRA Unit Cost.NP36.xlsx" (NP36 file), tab "PMI," January 31, 2020.

¹ Docket No. CP2020-95, Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 7 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, February 12, 2020; Docket No. CP2020-96, Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package 2 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, February 18, 2020 (Notice) (collectively Notices).

- a. Please refer to column F, G, H, I, J, and M of the PMI files. Please confirm that the unit mail processing cost (column F), unit delivery cost (column G), unit other cost (column H), unit domestic surface transportation cost (column I), unit domestic air transportation cost (column J), and unit international transportation cost (column M) are from the NP36 file. If confirmed, please explain why the Postal Service uses unit costs filed in the NP36 file to evaluate cost coverage of the instant agreement.
 - b. If the answer to question 1.a. is “confirmed,” please also explain whether the Postal Service will use unit costs filed in the NP36 file for all outbound international negotiated service agreements containing PMI volume filed in Fiscal Year (FY) 2020.
 - c. Please refer to column F of the PMI files and explain why Nationwide mailpieces (cells F8:F30) and Metro mailpieces (cells F65:F87) are expected to incur the same mail processing cost as ISC drop-shipped PMI mailpieces.
2. Please refer to the Excel files showing Priority Mail Express International (PMEI) costs filed in support of the Notices (PMEI files), tab “05_Cost_and_Revenue_Calculation.” Please also refer to the NP36 file, tab “PMEI.”
 - a. Please refer to column F, G, H, I, J, and M of the PMEI files. Please confirm that the unit mail processing cost (column F), unit delivery cost (column G), unit other cost (column H), unit domestic surface transportation cost (column I), unit domestic air transportation cost (column J), and unit international transportation cost (column M) are from the NP36 file. If confirmed, please explain why the Postal Service uses

unit costs filed in the NP36 file to evaluate cost coverage of the instant agreement.

- b. If the answer to question 2.a. is “confirmed,” please also explain whether the Postal Service will use unit costs filed in the NP36 file for all outbound international negotiated service agreements containing PMEI volume filed in FY 2020.
 - c. Please refer to column F of the PMEI file and explain why Nationwide mailpieces (cells F8:F24) and Metro mailpieces (cells F59:F75) are expected to incur the same mail processing cost as ISC drop-shipped PMEI mailpieces.
3. Please refer to the Excel files showing First Class Package International Service (FCPIS) costs filed in support of the Notices (FCPIS files), tab “05_Cost_and_Revenue_Calculation.” Please also refer to the NP36 file, tab “FCPIS.”
 - a. Please refer to column E, F, G, H, I, and L of the FCPIS files. Please confirm that the unit mail processing cost (column E), unit delivery cost (column F), unit other cost (column G), unit domestic surface transportation cost (column H), unit domestic air transportation cost (column I), and unit international transportation cost (column L) are from the NP36 file. If confirmed, please explain why the Postal Service uses unit costs filed in the NP36 file to evaluate cost coverage of the instant agreement.
 - b. If the answer to question 3.a. is “confirmed,” please also explain whether the Postal Service will use unit costs filed in the NP36 file for all outbound international negotiated service agreements containing FCPIS volume filed in FY 2020.

- c. Please refer to column E of the FCPIS file and confirm that the Nationwide mailpieces (cells E8:E16) are not expected to incur window services (cost segments 2.2 and 3.2). If not confirmed, please explain why the portion of mail processing cost attributable to cost segments 2.2 and 3.2 was removed from the mail processing cost of Nationwide mailpieces.

By the Chairman.

Robert G. Taub